

“Development” Dropped From Above: the Nepal Poplar Saga

The Nepal Coppice Reforestation Project 367-0156 (\$2.28 million)

Selected Documents – Phase 1: 1984-86

Compiled by George F. Taylor II

George Taylor served as an Agricultural Development Officer & Senior Forestry Advisor in the Office of Agriculture & Resource Conservation of USAID/Nepal from 1984-1987 and as Chief of the Natural Resources and Institutional Development Division of the Office of Agriculture & Rural Development from 1987-1989. He is currently Director of International Programs at Philanthropy Support Services Inc. (PSS) based in Boulder, Colorado. taylor.pss@gmail.com

PSS Motto: *Excellence can be attained if you...*

Care more than others think is wise, Risk more than others think is safe, Dream more than others think is practical, Expect more than others think is possible.

Project Chronology

Phase I. First Do No Harm: Standing up to the powers that be - from a delusional proposal to benign research. 1984-1986

Phase II. Working with the hand one has been dealt: Argonne National Lab at "Hatfield Knob" and beyond. 1987-1990

Phase III. Once the spotlight faded, shifting from a project parachuted from the U.S. Congress to support for community forestry through the United Mission to Nepal (UMN). 1990-1992

Related documents:

1. Trip Report by a U.S. Team of Forestry Experts (Professors Paul Heilman (Washington State) and Reinhard Stettler (University of Washington)) and Argonne National Laboratory Staff (Sinyan Shen and Anant Vyas) May 1986.

Title: *Visit of U.S. Team on Multipurpose Poplar to Nepal.* Argonne National Laboratory.

http://pdf.usaid.gov/pdf_docs/PDAAW625.pdf

2. Grant Agreement Amendment No. 1 for United Mission to Nepal (UMN) implementation of Phase III: 1990-1992.

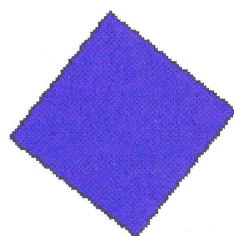
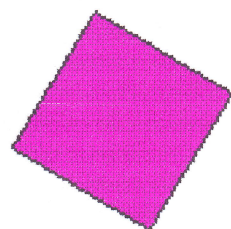
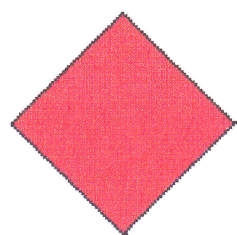
http://pdf.usaid.gov/pdf_docs/PDCBI126.pdf

A Note of Appreciation:

Credit for transforming what would have been a development disaster into a benign research activity under Argonne National Laboratory that eventually morphed into some useful support for community forestry through the United Mission to Nepal goes first and foremost to Nepal's Chief Conservator of Forests Manzour Haque. He stood up against strong political pressure and, working closely with USAID/Nepal staff, first resisted the original proposal imposed on USAID by the U.S. Congress and then skillfully constructed a Plan B that allowed parties on both the U.S. and Nepali sides to save face and move forward with a modest research effort. Others that deserve special mention during Phase I include USAID Mission Directors Dennis Brennan and David Wilson (who took the all-too-unusual step of backing the judgment of their technical staff against strong pressures from the highest levels of USAID/ Washington that were focused on being responsive to the Chairman of the Senate Appropriations Committee, Mark Hatfield, and his staff) with their Deputy Directors Janet Ballantyne and Stacy Rhodes; other USAID/ Nepal staff starting with the Chief of the Office of Agriculture and Resource Conservation Charles Hash, his Deputy Gary Alex, Forestry Advisor Batuk Prasad Upadhyay and Burt Levenson ; Program Officer George Lewis; Program Economist Josette Maxwell and Project Development Officer Don Clark; and USAID/Washington technical staff including Robert Ichord, Molly Kux, George Armstrong and Cynthia Mackie. Special thanks as well to donor colleagues in Nepal who provided their unvarnished views on the proposed project (most notably J. Ken Jackson and Colin Rosser whose letters are included in this collection) and to Professors Reinhold Stettler and Paul Heilman who came to Nepal on short notice as "external reviewers", walked with us through Solu Khumbu to confirm that air-lifting millions of Oregon poplar cuttings was a delusional idea, and supported Chief Conservator Haque and the rest of us in turning a crazy idea into something that followed the principle: first do no harm.

Finally, thanks to Burt Levenson for pulling together the detailed chronology (many moons ago now) covering the earliest days of this saga and to Dan Jantzen for his help scanning this material.

Original compilation: 1986. Presentation in its current form: 2014



The Nepal Poplar Saga

Phase I:
1985-1986

Compiled by G.F. Taylor II



Nepal Hatfield Poplar Saga: 1985-86

Selected Documents

Compiled by G.F. Taylor II

KID STEVENS, ALASKA
 LONNELL P. WEAVER, JR., CONNECTICUT
 JAMES A. MCCLEURE, IDAHO
 PAUL LOUALT, NEVADA
 JAKE GARR, UTAH
 THAD COCHRAN, MISSISSIPPI
 JAMES ANDREWS, NORTH DAKOTA
 JAMES AGONOR, SOUTH DAKOTA
 W. EASTEN, JR., WISCONSIN
 M. D'AMATO, NEW YORK
 STINGLY, GEORGIA
 RUOMAN, NEW HAMPSHIRE
 JAMES SPECTER, PENNSYLVANIA
 PETE V. COLEMAN, NEW MEXICO

JOHN C. STENNIS, MISSISSIPPI
 ROBERT C. BYRD, WEST VIRGINIA
 WILLIAM PROXMIER, WISCONSIN
 DANIEL K. INOUE, HAWAII
 ERNEST F. HOLLINGS, SOUTH CAROLINA
 LAWTON CHILES, FLORIDA
 J. BENNE, JOHNSTON, LOUISIANA
 QUENTIN N. BURDICK, NORTH DAKOTA
 PATRICK J. LEAHY, VERMONT
 JIM SASSER, TENNESSEE
 DENNIS D'CONCINI, ARIZONA
 DALE BUMPERS, ARKANSAS
 FRANK R. LAUTENBERG, NEW JERSEY
 TOM HARKIN, IOWA

J. KEITH KENNEDY, STAFF DIRECTOR
 FRANCIS J. SULLIVAN, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, DC 20610

December 12, 1985

Mr. Peter McPherson
 Administrator
 Agency for International Development
 320 21st Street, N.W.
 Washington, D.C. 20523

lf DUE: 1-7-86
 ACTION: AA/ANE for McPherson
 Signature
 INFO: R Logs LEG, AA/PPC,
 AA/S&T, AA/M

Dear Mr. McPherson:

Per your request, I am writing to express the Committee's understanding of how the earmark of \$2.28 million in H.J. Res. 465, the FY 86 Continuing Resolution, for ETUL's unsolicited proposal, as part of the Nepal Reforestation Project, shall be spent. This project has been developed after several meetings and close collaboration between the Agency for International Development and the Senate Appropriations Committee.

First of all, it is my understanding that a range of 1.5 to 2.5 million cuttings would be procured for this reforestation project. The actual total will depend upon a number of factors, such as the locations where they are planted, management practices and density variations. In temperate climates, the optimum density for vegetative propagation of unrooted cuttings has been 50,000 per acre or approximately 125,000 per hectare. However, successful plantings at greater levels of density have been accomplished at a number of locations in the United States and Canada.

Second, a minimum of three locations would be selected, with several sites at each location. Broadly speaking, these locations would include a ~~highland area, prime farm land and a hillside area.~~ At the various sites efforts would be undertaken to evaluate density levels, ranging from 25,000 per acre to 100,000 per acre, a variety of management practices to match species and site, including watering regimes, use of mulch, types of fertilizer, etc., with the goal of integrating the growing of the poplars into existing agriculture and forestry practices.

Commitments have been received from both the National Panchayat and Peasant's Organization and the Nepal Peasant's Organization--Central Executive Committee regarding land labor and availability of land. The King Mahendra Trust for Nature Conservation has had constant communication with the appropriate Nepalese government ministries with regard to this project towards the purpose of providing the necessary clearances for the materials and personnel.

Third, the project originally proposed that site selection would begin by November and continue into December. Due to delays in pursuing the project, that time frame has been greatly compressed. It is imperative that site selection begin immediately so that the cuttings can be procured, transported and planted by the end of February or early March.

Mr. Peter McPherson

December 12, 1985

Page 2

December 12, 1985

The Committee would expect AID to inform the Nepal Government and the AID field offices in writing (telex or cable) of this project. Please provide the Committee with copies of this correspondence when it is transmitted.

In closing, it is my expectation that the PASA process would be utilized to enable AID to contract with the Department of Energy under an interagency agreement to enable Argonne National Lab in Chicago to handle this grant. Argonne would be responsible for program management of items including site selection, preparation of the sites, arranging shipment of the materials, and providing technical assistance to ensure maintenance, monitoring and evaluation. Etul, Inc. would subcontract with Argonne for the procurement of the hybrid poplar clones and project management. The following person should be contacted at Argonne for further information:

Dr. Sin-yan Shen

Energy and Environmental Systems Division

Building 362

Argonne National Lab

4700 S. Cass Avenue

Argonne, Illinois 60439

Phone: (312) 972-6276

Thank you for your cooperation in this matter.

Sincerely,

Mark O. Hatfield
Chairman

Hatfield-Backed Tree-Planting Plan in Nepal Draws Criticism.

Portland Oregonian
January 18, 1986

Fat in the Fire on Hatfield's Pork Barrel.

East Lansing State Journal
January 19, 1986

HATFIELD HAS HAPPY CONSTITUENTS, AND NEPAL WILL HAVE POPLAR TREES.

Associated Press
n.d.

Senator Uses Clout, Irks Representative.

St.Louis Post Dispatch
January 19, 1986

Trees for Nepal & Oregon.

The New York Times
March 7, 1986

Sen. Hatfield's Plan for Greening of Nepal Leaves AID Projects Up a Tree.

Washington Post
June 5, 1986

AID Up Tree Over an Unpoplar Stand.

Seattle Times

June 6, 1986

Hatfield Isn't Very Poplar - er, Popular - at AID.

**Washington Post National Weekly
Edition**

June 16, 1986

OPPOSITION AGAINST HARTFIELD SCHEME: A TALE OF FOREIGN ASSISTANCE

Janasambad (Kathmandu)

July 31, 1986 (Front Page)

Senator Hatfield's Afforestation Program:

IS IT U.S.GRANT OR PRESSURE?

Inaap (Kathmandu)

August 13, 1986 (Front Page)

"WHITE SKIN" ATTITUDE:

OBSTACLE TO THIRD WORLD DEVELOPMENT.

Janasambad (Kathmandu)

August 28, 1986 (Front Page)



BY JAMES E. W. AHERN—THE WASHINGTON POST
Sen. Mark O. Hatfield of Oregon

Hatfield Isn't Very Poplar—er, Popular—at AID

He's holding up agency funds until it agrees to send Oregon trees to Nepal

By Jeanne Omang

Washington Post Staff Writer

The remote nation of Nepal has a serious deforestation problem. In Oregon there lives a citizen who raises fast-growing hybrid poplar trees. Oregon Sen. Mark O. Hatfield chairs the Appropriations Committee. The committee earmarked \$2.28 million in its fiscal 1986 foreign operations bill to send 2.5 million Oregon poplar tree cuttings to Nepal.

Nothing new there, you say? Happens all the time? Ah, but in this case, Nepal resisted. These poplars might not grow well there. The Agency for International Development also resisted, listening to one of its foresters who argued that the project would be "completely unrealistic, a waste of money" and "an act of extreme folly" because of transport, land availability and refrigeration problems.

But Hatfield was determined. "He really believes that this is an important and valid development project," says aide Rick Rolf, adding that Hatfield has never met the nursery owner.

So beginning May 1, the Appropriations

Committee began to hold up AID's normally routine requests to reprogram funds from one Asian project to another.

So far, nine projects involving \$29 million have been stalled in what an AID source views as a frank effort to encourage the agency to reconsider its position. The projects include an irrigation training program in Indonesia and other proposals in Bangladesh and Sri Lanka, the source says, while stressing that \$200 million for the Philippines had moved speedily through the committee since the hold was instituted.

"The agency has ignored a directive of Congress," says a committee staff aide. "This is the only way to get their attention," says another.

"We often do this to make sure the directives are adhered to," says Rolf. "Hatfield is looking for some resolution of the issue indicating they will put together a project, and then we can move forward."

A feasibility study that AID ordered in January—which committee aides say was a stalling tactic—reported that Nepal does indeed need

"a tree such as a poplar" that can be used as fuel, animal feed and brushwood and as a soil holder and windbreak. The study, headed by Argonne National Laboratories, said other varieties of trees also should be explored.

AID Administrator M. Peter McPherson, however, has been convinced. "The Appropriations Committee directed AID to undertake this project, and as far as I am concerned, Congress has spoken," he says. "We are going to undertake it. And I don't feel uncomfortable about that, either." He says the project delays "have not been a major disruption."

McPherson says Hatfield "made it clear he didn't care where the trees come from but is interested in trying out a new approach" to the deforestation problem. "I don't know if the trees will come from Oregon or not, and I don't feel compelled to have them come from Oregon," McPherson says.

Rolf says that is fine with Hatfield. "If the trees come from Oregon, that's terrific. If they don't, and it's still appropriate technology, then that's the objective."

Trees for Nepal and for Oregon

By CLYDE H. FARNSWORTH

Special to The New York Times

WASHINGTON, March 6 — According to an old political saying, favors that members of Congress do for their individual constituents grease the wheels of representative government.

Hardly a tax, appropriation, budget or any other bill clears Congress without some nuggets to help particular businesses, institutions or individuals within the constituency of powerful legislators.

Murray L. Weidenbaum, a former chairman of President Reagan's Council of Economic Advisers, once counted 67 special constituent favors in a tax bill the House passed. He says they were inserted mainly by members of the Ways and Means Committee, which writes tax bills, or were put in by the committee to help House members whose own help was needed for passage of the bill.

Appropriation for Poplars

Such tailoring seldom stirs much fuss, especially among legislators. But that is not true in the case of a constituent item inserted in a recent catchall spending bill.

It provides \$2.28 million so that a tree nursery near Portland, Ore., can ship by air up to 2.5 million refrigerated cuttings of fast-growing hybrid poplars to the Himalayan kingdom of Nepal, which has been ravaged by deforestation. The sponsor: Senator Mark O. Hatfield, the Oregon Republican who is chairman of the Senate Appropriations Committee.

Mr. Hatfield acted despite a negative assessment of the project by the Nepal mission of the State Department's Agency for International Development. The local office said the imported poplars might not survive and might transmit disease to native trees, perhaps worsening relations between the United States and Nepal.

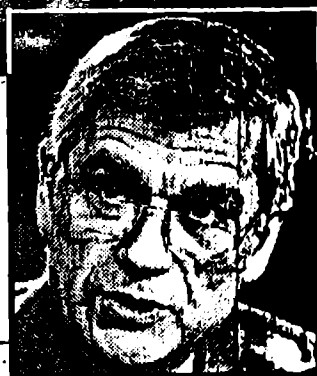
Senator Hatfield's press secretary, Rick Roll, says there was "nothing unusual or irregular in any sense" about the legislative action. He describes the project as "viable and important for the development of Nepal."

But the poplar spending has angered another Republican, Representative Robert S. Walker of Pennsylvania. "I think it stinks," he fumed the other day. "That thing was stuck in there hoping that no one would ever find out about it."

What is more, Mr. Walker contends that such legislative tailoring has made a "travesty" of the whole appropriation process. The system, he says, "gives opportunities to people writing the bills to put garbage in those bills."

"Nobody talks about these things," he added. "They're all protecting each other. It's one big club on Capitol Hill."

The Pennsylvanian said his interest was spurred by an Ephrata, Pa., constituent, Morton Fry, who also operates a tree nursery and develops hybrid poplars. Mr. Walker said Mr. Fry was excluded from the Nepal contract because a letter from Congress accompanying the spending bill



The New York Times/Sтивен R. Weisman; United Press International

Senator Mark O. Hatfield, right, is sponsor of measure to send cuttings from a tree nursery near Portland, Ore., to ravaged area in Nepal, above. Representative Robert S. Walker is opposed to the bill.

specified that the trees be provided by the Oregon nursery.

Whatever the merits of Mr. Walker's argument, the bill also contained a number of other appropriations seemingly tailored to help individual constituents.

For example, there was an item worth \$3.9 million to a group of investors in Idaho.

Senator James A. McClure, Republican of Idaho, chairman of the Senate Energy and Natural Resources Committee, was doing a favor for a sawmill owner named John Edwards and his partners, who were selling the Government a former railroad right of way that the Justice Department had said was worth no more than \$321,000.

"The Senator acted because the group was being bullied by the Government," said his press secretary, Greg Witter. "It was a gross injustice. The Justice Department was forcing Edwards, either to accept their offer — 5 to 10 times less than the land was worth — or go into litigation, which would cost the taxpayers far more."

As for the poplar appropriation, Nepalese officials here are reluctant to comment, but they do not deny that their Government has reservations about the project. "We have asked questions, and the matter is now being studied," said an official at the Embassy, asking not to be identified.

While A.I.D. officials in Nepal have expressed doubts about the poplar

project, the view at the development agency's headquarters here is less dogmatic, or at least more politic. "We still need a technical review, but I think of this as an opportunity," said the agency's Administrator, M. Peter McPherson.

The poplar project was first proposed to the Agency for International Development in 1984 by Joe Dula, owner of a nursery in Camby, Ore., and by Luther G. Jerstad, a mountaineer who has climbed Nepal's Mount Everest and runs a tour business, Lute Jerstad Adventures, in Portland. When A.I.D. took no action on their unsolicited proposal, the two men approached Senator Hatfield.

Mr. Roll, Mr. Hatfield's press secretary, said the Senator had met Mr. Jerstad only once before that, 10 years earlier, and that he had never met Mr. Dula.

Mr. Jerstad could not be reached for comment on the project. Reached by telephone at his nursery, Mr. Dula said: "We don't have a damned thing to feel guilty about — pardon my language. I'm not under any Federal grants. I'm not trying to get any grants."

He insisted that his poplars had exceptional attributes, saying they could produce 60 tons of fuel, feed and fiber annually per acre without any new replanting. Some already are growing in China, he said, adding

"We're going worldwide because we've been invited to do so."

-Translation-
INAAP

Nepal Bhasa Language Biweekly (Newari)
Kathmandu, August 13, 1986 No. 175/31.

Senator Hatfield's Afforestation Program

IS IT U.S. GRANT OR PRESSURE?

Kathmandu

Senator Mark O. Hatfield, a Senate Representative from Oregon is giving excessive pressure on Nepal Government to accept a very impractical afforestation program amounting to several crores of Rupees, it is learnt here.

The Budget Management Committee of the U.S. Senate of which Mr. Hatfield himself is the chairman has decided to sanction US\$ 22 lakhs 80 thousand to Nepal in 1986.

Although the people will be very happy to hear about the afforestation program and crores of Rupees in grant, the way it is programmed there will be no body who will like Senator Hatfield's idea (plan).

His plan is to bring all the tree saplings in a jet (airplane) from America and plant them in the barren hills and mountains of Nepal. There is a person in Oregon State Mr. Lot Jestard. He has his own nursery. Mr. Jestard has crores of lahare pipal (poplar) saplings in his nursery. Being a friend, Senator Hatfield plans to ship 25 lakhs lahare pipal saplings in the refrigerators by special jet aircraft.

If this is to happen as Senator Hatfield plans, all the US grant to Nepal will be just enough to bring the tree saplings here. Moreover, according to the United States Agency for International Development (USAID) in Nepal, such saplings brought from America will not be healthy and will have high mortality rate. There is no need to bring lahare pipal saplings from the United States which can be raised here successfully. Moreover, this program is not going to be of any help to Nepal ("not even one fourth paisa worth").

For this reason His Majesty's Government is not seriously looking at accepting this program.

But because the US Senate Budget Management Committee has already decided on this grant, Senator Hatfield is pressuring the Nepal Government to accept this program no matter whether this is going to be useful or not.

Janasambad (v/v) Kathmandu .

July 31, 1986 (front page)

Opposition Against Hartfield Scheme:

A Tale of Foreign Assistance

Kathmandu: Foreign assistance to Nepal has always been an issue of great discussion. One such incident is perfect example of this. After having seen mass deforestation during a trek in the Phaplu region of Nepal, a senior American tourist spelt out his desire to the Nepalese high officials to help increase U.S. aid in tree plantation program. After having returned to Oregon (USA) he held talks with forest advisers and a forest related company of that state. This particular forest related company had cultivated the saplings seeds of poplar-cutting (pipal trees) which had gone waste, entered talks from the point of view of making crores of rupees by sending those useless saplings to Nepal. That particular, American tourist who started the talks was Sen. Hartfield. Sen. Hartfield, who was elected from the State of Oregon, in the meantime managed to pass through the Senate Committee and sanction twenty-eight lakhs dollars in order to send those saplings to Nepal for plantation and sent this proposal to USAID/Nepal for possible agreement. USAID/Nepal was in no position of agreeing to such an expensive proposal which required transporting this

saplings in a special temperature controlled aircraft all the way from State of Oregon to Nepal. Even the Forest Ministry and its related departments expressing concern rejected this proposal on the ground that the introduction of this saplings on the long-run would bring disease into the forest of Nepal. In order to bring these saplings from the State of Oregon 80 percent of the aid grant (i.e. 22 laks 40 thousand dollars) alone would be spent on salary and transporation, and even after spending so much the benefit to Nepal would be practically nothing. The scheme of Sen. Hartfield to bring the tree saplings to Nepal received wide opposition in America too. Sen. from Philadelphia accused Hartfield for trying to carry out an "incorrect scheme." Sensing that his scheme now was heading for a filure, Hartfield using his influence started pressuring, both from America and Nepal, the American Ambassador to Nepal, USAID officials and all the forest related Nepalese institutions. But these influential officers stated that they would rather resign than agree to such a unfeasible proposal Hartfield on the otherhand was furious and warned if this proposal was not accepted he would halt all aid (barring Israel) to all Asian countries. According to a special source, Sen. Hartfield's right hand man arrived in Nepal this week to pressurize Nepal to accept the proposal. Now it is to be seen how much he will be able to motivate regarding the acceptance of this "assistance" from Oregon.

UNOFFICIAL TRANSLATION

JANASAMBAD - WEEKLY

28 August, 1986 (Thursday) (Nepali Front Page)

"White Skin" Attitude: OBSTACLE TO THIRD WORLD DEVELOPMENT

Kathmandu.

Are American Saplings of lahare pipal (Poplar) coming to Nepal for sure ?

Most probably the saplings will not be allowed to come to Nepal. Senator Hardfield's representative has returned home after discussions with Department of Forestry officials, as reported by our reliable source. In fact, the Department officials had shown interest to bring the "Lahare Pipal" saplings if some "Additional Benefits" were possible. But the officials were hesitating since bringing saplings through the extremely expensive program would be a joke and shameful to show the world.

In fact, the Lahare Pipal (Poplars) would have almost certainly come to Nepal, had the staff of US Aid Agency not threatened to "Resign from the job" in protest of the project. But this project has been postponed due to strong protest both inside and outside of the United States against such an inappropriate project .

In the name of aid, providing "Useless Stuff" to third world countries has been quite common with American, European and Socialist countries. The attitude of "White Skins" to think of people, especially African and Asian, as a "Lower Category" has proved to be an obstacle for third world development.

Had the secrets of Senator Hardfield and his Lahare Pipal (Poplar) plan not been open to American intellectuals and politicians, the American saplings of Lahare Pipal would have certainly come to Nepal and the Nepali attitude "Drink even 3 pathis (about ten liters) of chuck (highly concentrated excessively sour citrus fruit extract) if given free" would have continued. But, for the time being this has been avoided.

However, "Hardfield has not given up his effort" one reliable source told this reporter - "Although this plan is being postponed for a few months, this is not altogether scrapped".

AID up tree over an unpopular stand

Washington Post

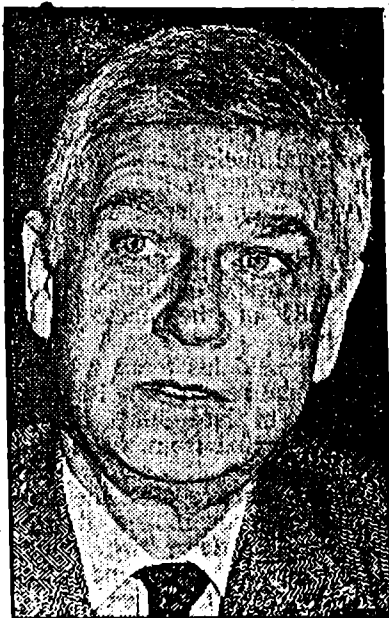
WASHINGTON — The remote nation of Nepal has a serious deforestation problem. In Oregon there lives a citizen who raises fast-growing hybrid poplar trees. Sen. Mark O. Hatfield, R-Ore., chairs the Appropriations Committee. The committee earmarked \$2.28 million in its fiscal 1986 foreign-operations bill to send 2.5 million Oregon poplar-tree cuttings to Nepal.

Nothing new there, you say? Happens all the time? Ah, but in this case, Nepal resisted: These poplars might not grow well there. The Agency for International Development also resisted, listening to one of its foresters who argued that the project would be "completely unrealistic, a waste of money" and "an act of extreme folly" because of transport, land availability and refrigeration problems.

Hatfield was determined. "He really believes that this is an important and valid development project," said aide Rick Rolf.

So beginning May 1, the Appropriations Committee began to hold up AID's normally routine requests to reprogram funds from one Asian project to another.

So far, nine projects involving \$29 million have been stalled in what an AID source views as a frank effort to encourage the agency to reconsider its position. The projects include an irrigation training program in Indonesia and other proposals in Bangladesh and Sri Lanka, the source said, while stressing that \$200 million for the Philippines had moved speedily through the committee since the hold was instituted. "The agency has ignored a directive of Congress," said a committee staff aide. "This is the only way to get their attention," said another.



Sen. Mark Hatfield
Urges cuttings for Nepal

"We often do this to make sure the directives are adhered to," said Rolf. "Hatfield is looking for some resolution of the issue indicating they will put together a project, and then we can move forward."

A feasibility study that AID ordered in January — but which committee aides said was a stalling tactic — reported that Nepal does indeed need "a tree such as a poplar" that can be used as fuel, animal feed, brushwood and a soil holder and windbreak. The study said that other varieties of trees also should be explored.

AID Administrator M. Peter McPherson, however, has been persuaded. "The Appropriations Committee directed AID to undertake this project, and as far as I am concerned, Congress has spoken," he said this week. "We are going to undertake it."

McPherson said Hatfield "made it clear he didn't care where the trees come from, but is interested in trying out a new approach" to the deforestation problem.

Senator Uses Clout, Irks Representative

By Joan Mower

WASHINGTON (AP) — Sen. Mark O. Hatfield, R-Ore., using his influence as chairman of the Senate Appropriations Committee, arranged last year to earmark \$2.28 million so that two of his constituents could ship more than a million cuttings of hybrid poplar trees to Nepal.

The Agency for International Development, which would administer the project, has yet to approve it.

Hatfield's spokesman, Rick Rolf, said nothing was "unusual or irregular in any sense" about the way the appropriation had been handled. An expert on congressional committees said the incident was typical of how the appropriations panels worked.

Stephen S. Smith of the Brookings Institution, a liberal think tank, said lawmakers, particularly those on the appropriations committees, often maneuver to free money for specific projects for people in their states.

But Hatfield's action has angered another Republican, Rep. Robert S. Walker of Pennsylvania. "I think it stinks," Walker said of the way Congress handled the proposal. He called it "one of the continuing series of abuses of the appropriations process."

But Walker admitted that his interest had been piqued because one of his Pennsylvania constituents, also a grower of hybrid poplars, apparently had been excluded from bidding on the job, a reforestation project.

Hatfield declined to be interviewed about the tree project.

The poplar project was first proposed to the Agency for International Development in 1984 by Lute Jerstad and Joe Dula of ETUL Inc. The unsolicited, nine-page proposal sought about \$5 million to plant 6-inch and 12-inch poplar cuttings in India and Nepal in an effort to reverse erosion and destruction of topsoil.

Dula has a hybrid poplar business in Canby, Ore. Jerstad runs Lute Jerstad Adventures in Portland, Ore., a company that operates treks and tours in Asia, including Nepal. Jerstad met Hatfield many years ago, the senator's staff said.

The project never got off the ground with the Agency for International Development, because agency officials considered the proposal costly and unsophisticated and they questioned its feasibility, according to agency sources.

Although reforestation is considered a priority in Nepal, officials of the Agency for International Development were unsure that poplars were suitable for the soil, the sources said. Nepal is a country denuded by people cutting trees for fuel.

Among other things, ETUL's proposal notes that "all cuttings must be flown in by charter aircraft" from Katmandu, Nepal's capital, to the planting site. Moreover, cuttings would have to be flown in refrigerated containers, and "rental of coolers in Calcutta and Katmandu is very expensive," it said.

In a telephone interview, Jerstad would say only, "There have been delay problems." Dula said officials of the Agency for International Development had tried to kill the project by requesting so many technical studies on it.

More than a year after the proposal was sent to the agency, Hatfield sought money for it in the appropriations bill for this fiscal year. House-Senate negotiators approved it Dec. 11 after a closed meeting, and Congress approved the foreign operations appropriation on Dec. 19 as part of a major spending bill.

Seven days earlier, Hatfield had written to the administrator of the Agency for International Development,



Sen. Mark O. Hatfield
Arranges tree project

ment, Peter McPherson, explaining how the money should be spent. Hatfield spelled out that ETUL would provide between 1.5 million and 2.5 million poplar cuttings.

Hatfield also said time was of the essence. "It is imperative that site selection begin immediately so that the cuttings can be procured, transported and planted by the end of February or early March."

A day before the date on Hatfield's letter, Charles Greenleaf, head of the Agency for International Development's Asian section, said that the agency was inclined to support the "general outlines" of the project, but that it had yet to be approved as a project.

Walker said the way the money had been allocated pointed out the deficiencies in the congressional appropriations process. "It was assigned into law with no hearings," he said.

Also disturbing Walker was the fact that other tree-growers appeared to be frozen out of the project.

"It's a terrible way of doing business with the taxpayers' money," he said.

Hatfield Has Happy Constituents, And Nepal Will Have Poplar Trees

ASSOCIATED PRESS

WASHINGTON -- Sen. Mark O. Hatfield, using his influence as chairman of the Senate Appropriations Committee, arranged last year to earmark \$2.28 million so that two of his Oregon constituents could ship more than a million hybrid poplar tree cuttings to Nepal.

Hatfield's spokesman, Rick Rolf, said there was nothing "unusual or irregular in any sense" about the way the project was handled, and a specialist on congressional committees said it was typical of how the appropriations panels work.

Stephen S. Smith of the Brookings Institution, a liberal think tank, said that members of Congress, particularly those on the appropriations committees, often maneuver to free money for specific projects for people in their states.

"It happens all the time," he said, noting that public works such as roads and bridges are major pork-barrel items. In some cases, he said, military bases have been retained in a district -- over the objections of the Defense Department -- because of congressional pressure.

An important motivation for serving on the appropriations committees is to "bring home the bacon," Smith said, and the chairmen of the House and Senate committees are first among equals in divvying up the money.

Hatfield's action, which comes at a time of frenzied federal budget-cutting, has angered another Republican, Rep. Robert S. Walker of Pennsylvania.

"I think it stinks," Walker said of the way Congress handled the proposal.

He called it "one of the continuing series of abuses of the appropriations process."

But Walker's interest was piqued because one of his Pennsylvania constituents, also a hybrid poplar grower, apparently was excluded from bidding on the reforestation project.

The poplar project was first proposed to the Agency for International Development in 1984 by Lute Jerstad and Joe Dula of ETUL Inc.

The unsolicited, nine-page proposal sought about \$5 million to plant 6-inch and 12-inch poplar cuttings in India and Nepal in an effort to reverse erosion and destruction of topsoil.

Dula has a hybrid poplar business in Canby, Ore., and Jerstad runs Lute Jerstad Adventures in Portland, Ore., a company that operates treks and tours in Asia, including Nepal. Jerstad met Hatfield many years ago, the senator's staff said.

The project never got off the ground because AID officials considered the proposal costly and unsophisticated and they questioned its technical feasibility, according to AID sources who asked to remain anonymous.

More than a year after the proposal was sent to AID, Hatfield sought money for it in the fiscal 1986 appropriations bill. House-Senate negotiators approved it Dec. 11 after a closed meeting, and Congress approved the foreign operations appropriation as part of a major spending bill.

Hatfield-backed tree-planting plan in Nepal draws criticism

By DAVID WHITNEY
The Oregonian staff

JAN 18 1986

WASHINGTON — A \$2.28 million plan for an Oregon company to plant trees in Nepal that is backed by Sen. Mark O. Hatfield, R-Ore., has drawn sharp criticism from a Pennsylvania congressman.

Money earmarked for the project was included in a year-end spending bill for the U.S. Agency for International Development. Hatfield said in a letter to the agency that Congress intended the money to go to the Oregon company — ETUL Inc., whose president is Lute Jerstad, a well-known Oregon outdoorsman and a member of the first successful American expedition to climb Nepal's Mount Everest.

The company, operated by Jerstad and Joe Dula, a Canby nurseryman, planned to plant fast-growing hybrid poplar trees in the eastern hills of Nepal.

Rep. Bob Walker, R-Pa., attacked the plan Friday because, he said, a qualified company in his home district was not considered for the contract. "They evidently decided this behind closed doors at the appropriations conference," Walker told a Newhouse News Service reporter. "We have (a person) right here in Lancaster who is a world-leading expert in working with poplar trees. He wasn't even given a chance to bid on this thing."

Rick Rolf, a press aide for Hatfield, said, "It's clear that this is a valid and necessary project, that the Oregon firm is the best candidate for this technology and that other firms that might be interested in it are not even in the ballpark."

Rolf added that Hatfield believed the Nepalese government was behind the project when he sought funding for it. Joseph Esposito, senior adviser in the AID Asia and Near East bureau in Washington, D.C., said, however, that the agency

had not received official word of Nepal's view of the project.

"There was a meeting in Katmandu a couple of days ago at which the issue was broached," he said. The Nepalese appear to be "neutral" about it, he said.

"As with most governments, when they are presented a proposal, they need time to digest it," Esposito said.

Nepal, the host country, would have to approve the project before AID could undertake it, Esposito said.

Walker said he had understood from a reporter for The Associated Press that the money for the project was going to an Oregon company that had suffered "some financial reverses."

Jerstad denied that Friday. He acknowledged that Dula Nurseries had gone through bankruptcy proceedings a couple of years ago but said ETUL was solvent.

Jerstad said Hatfield's support could in no way be construed as a special favor because he had met the senator only once — in 1963 just after Jerstad had returned from climbing Mount Everest.

But Jerstad said that AID officials were trying to discredit the project with Nepalese officials by mischaracterizing it.

He claimed AID officials exaggerated the difficulty of the project.

Jerstad said that he had worked with the local population of the area, not the national government of Nepal. He said he intended to return to Nepal to seek official government approval once Congress approved the money.

Esposito and Kelly Cameron, head of congressional relations for AID said, however, that the agency endorsed Jerstad's proposal after some technical modifications.

East Canyon State Journal 19/1/94

Fat in fire on Hatfield's pork barrel

Associated Press

WASHINGTON — Sen. Mark O. Hatfield, using his influence as chairman of the Senate Appropriations Committee, arranged last year to earmark \$2.28 million so two of his Oregon constituents could ship more than a million hybrid poplar tree cuttings to Nepal.

Hatfield's spokesman, Rick Rolf, said there was nothing "unusual or irregular in any sense" about the way the project was handled, and an expert on congressional committees said it was typical of how the appropriations panels work.

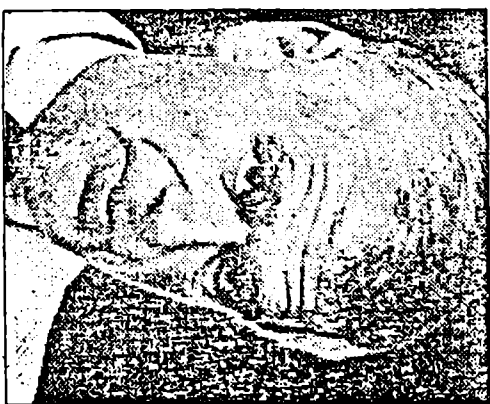
But Hatfield's action, which comes at a time of frenzied federal budget-cutting to meet targets set by the Gramm-Rudman Act, has angered another Republican, Rep. Robert S. Walker of Pennsylvania. "I think it stinks," Walker said of the way Congress

Newsmaker

handled the proposal. He called it "one of the continuing series of abuses of the appropriations process."

Stephen S. Smith of the Brookings Institution, a liberal think tank, said lawmakers, particularly those on the appropriations committees, often maneuver to free money for specific projects for people in their states.

"It happens all the time," he said, noting that public works such as roads and bridges are major pork-barrel items. In some cases, he said, military bases have been retained in a district — over the objections of the Defense Department — because of congressional pressure.



Mark Hatfield: His \$2 million maneuver - defended, denounced.

Sen. Hatfield's Plan for Greening of Nepal Leaves AID Projects Up a Tree

June 5, 1994

By Joanne Orsini
Washington Post Staff Writer

The remote nation of Nepal has a serious deforestation problem. In Oregon there lives a citizen who raises fast-growing hybrid poplar trees. Sen. Mark O. Hatfield (R-Ore.) chairs the Appropriations Committee. The committee earmarked \$2.28 million in its fiscal 1996 foreign operations bill to send 2.5 million Oregon poplar tree cuttings to Nepal.

Nothing new there, you say? Happens all the time. Ah, but in this case, Nepal insisted. These poplars might not grow well there. The Agency for International Development

opment also resisted. Listening to one of its foresters who argued that the project would be "completely unrealistic, a waste of money" and "an act of extreme folly" because of transport, land availability and refrigeration problems.

Hatfield was determined. "He really believes that this is an important and valid development project," said aide Rick Rolf, adding that Hatfield has never met the nursery owner.

So beginning May 1, the Appropriations Committee began to hold up AID's normally routine requests to reprogram funds from one Asian project to another. So far, nine projects involving \$79 million

have been stalled in what an AID source views as a frank effort to encourage the agency to reconsider its position. The projects include an irrigation training program in Indonesia and other proposals in Bangladesh and Sri Lanka, the source said, while stressing that \$200 million for the Philippines had moved speedily through the committee since the hold was instituted.

"The agency has ignored a directive of Congress," said a committee staff aide.

"This is the only way to get their attention," said another.

"We often do this to make sure the directives are adhered to," said Rolf. "Hatfield is looking for some resolution of the issue in-

dicating they will put together a project, and then we can move forward."

A feasibility study that AID ordered in January—but which committee aides said was a stalling tactic—reported that Nepal does indeed need "a tree such as a poplar" that can be used as fuel, animal feed, brushwood and a sail barker and windbreak. The study, headed by Argonne National Laboratories, said that other varieties of trees also should be explored.

AID Administrator M. Peter McPherson, however, has been persuaded. "The Appropriations Committee directed AID to undertake this project, and as far as I am concerned, Congress has spoken," he said years

ago. "We are going to undertake it. And I don't feel accountable about that, either." He added that the project delays "have not been a major distraction."

McPherson said Hatfield "made it clear he didn't care where the trees came from but is interested in trying out a new approach" to the deforestation problem. "I don't know if the trees will come from Oregon or not, and I don't feel compelled to have them come from Oregon," McPherson said.

Rolf said that is fine with Hatfield. "If the trees come from Oregon, that's terrific. If they don't, and it's still appropriate technology, then that's the objective."



KING MAHENDRA TRUST FOR NATURE CONSERVATION

Patron : HIS MAJESTY KING BIRENDRA BIR BIKRAM SHAH DEV
Chairman : HIS ROYAL HIGHNESS PRINCE GYANENDRA BIR BIKRAM SHAH

13 June 1985

Lute Jerstead, Ph.D.
President, Etul, Inc.
P.O. Box 19537
Portland, OR 97219

Dear Lute:

I have read with great interest your proposal for energy farming presented to USAID in Kathmandu which the Trust has been trying to introduce. With the Nepal Peasant Association, Shri Ang Nawang, and the Panchayats of the Phaphlu District, chances of success seem great.

The project deserves and has the support of the King Mahendra Trust for Nature Conservation. It is exactly the type of affirmative action program desperately needed in Nepal. Some of the popular species are "indigenous" to Nepal, there is no question of introducing an "exotic."

Your aim in directly benefiting the people of the middle hills and the severely depleted upper Mahabharat Range is the precise target in need of immediate assistance. We can no longer afford the time for additional studies to tell us Nepal is facing a critical fuel shortage. With the residents of Phaphlu District manning their own nursery plantations, being able to see direct results, then planting in other areas, the project should involve thousands of villagers. Land should be available from the Panchayats, labor will not be a problem, and these villagers have designed their own irrigation systems for hundreds of years. It is the pure simplicity of the project which makes it so appealing to the Trust.

Although reforestation projects are underway in Nepal, it is a painfully slow process, especially at the higher elevations. A typical villager cannot wait sixty years for a tree to mature—his need is immediate. Fuel is, next to food, the villager's most pressing requirement. The hybrid popular clones you have, appear to be a solution to producing enough fuel for subsistence, and keeping cattle and villagers out of reforestation projects and reserved forests. If we can produce these new trees by the millions, we may be able to "buy" time to allow the indigenous forests to recover. The ancillary side benefits of producing cattle fodder and stabilizing hillsides and marginal lands only adds to the attractiveness of this project.

If agreeable to you and if there is any indication of support we will officially request USAID to fund this project as soon as humanly possible through official channels. We also request you and your associates to come to Nepal as soon as you can for site selections, soil sampling, and to hold information-disseminating seminars for the people who will be directly involved in the project. We will immediately take up the question of training of agro-foresters in Oregon.



KING MAHENDRA TRUST FOR NATURE CONSERVATION

Patron : HIS MAJESTY KING BIRENDRA BIR BIKRAM SHAH DEV
Chairman : HIS ROYAL HIGHNESS PRINCE GYANENDRA BIR BIKRAM SHAH

- 2 -

I personally look forward to working on this project with you. Rest assured, you will receive all the help in Nepal we can possibly give. Thank you for your interest in nature conservation in Nepal.

Sincerely yours,

Hemanta Mishra, Ph.D.
Member-Secretary

cc: H.E. The Royal Nepalese Ambassador, Dr. Bhekh B. Thapa
USAID Kathmandu
USAID Washington, D.C.
Senator Mark O. Hatfield
Robert Dodson
Mr. Dennis Brennan

Forestry Research Project
G. P. O. Box No. 3339
Kathmandu, Nepal

November 7, 1985

Mr. G. F. Taylor
Forestry Advisor
USAID, Rabi Bhawan
Kathmandu

Re: Proposal for large-scale hybrid poplar
plantations in Nepal (ETUL)

Dear George,

I regard this proposal as completely unrealistic, a waste of money, and liable to cause serious damage to the reputation of the agency of the United States government responsible for attempting to execute it. The reasons are as follows:

NOV 07 1985

ACTION	
INFO	✓
B	✓
AD	✓
DYPO	✓
D/38	✓
PRM	✓
RAID	✓
FM	✓
AM	✓
QSO	✓
PER	✓
PRO	✓
TAV	✓
MTM	✓
MTF	✓
PM	✓
QAM	✓
PDIS	✓
TBO	✓
ABQ	✓
HRV	✓
D/R	✓
GR	✓

Hybrid poplars are site-demanding trees. They require good deep fertile soils with good supplies of water. In Nepal such soils are needed for raising agricultural crops and are rarely available for forestry plantations. I have yet to see a successful poplar plantation in Nepal, though there are examples of good growth as roadside trees.

There are many clones of hybrid poplars, adapted to different soil and climatic conditions. There is no guarantee at all that clones from Oregon would be able to survive, let alone produce satisfactory growth, under Nepal conditions. It would be extremely foolish to embark on a project of this magnitude without first planting trial plots on a range of sites. Incidentally it appears that the same clones would be planted from 300 feet to over 10,000 feet above sea level. If a tree were to perform well over this range of altitude it would indeed be a miracle tree. Certainly no such tree is known to me.

Importation of cuttings on this scale into Nepal carries the grave risk of introducing diseases, to which poplars are especially prone.

Five million cuttings, if planted at 2m by 2m spacing (which is close for poplars), would be enough for about 5,000 acres. This planting program would be centred on a single nursery from which the only practicable means of transport is on the backs of human porters. This 5,000 acres would have to be on good soil capable of growing poplars, and would have to be in hundreds, or even thousands, of small plots. Nobody with experience of afforestation in the mountains of Nepal would regard such a scheme as even remotely feasible, especially as it would have to be supervised by a single Nepali-speaking ex-Peace Corps person. All this is, of course, assuming that the poplars would grow in this area, which is quite unknown.

5. The intention may be that the poplars should be supplied to farmers for planting on their own land. In the hills of Nepal ten acres is a large farm and few farmers would have land available for growing more than one or two hundred trees. To persuade thousands of farmers to plant poplars on their land would require a very intensive extension campaign. The morality of trying to persuade people to plant a tree whose prospects of success is quite unknown is highly dubious. If the trees did not grow--and this is extremely likely--there would be a serious loss of confidence in all forestry extension programs, which would take years to overcome.
6. The cost of plants per acre for this scheme would be of the order of 1,000 dollars. This excludes planting costs. At present the cost of establishing an acre of plantation in the hills of Nepal is round about a hundred dollars an acre, including plants, transport of plants to the site, planting, and weeding. Thus the scheme proposed would multiply the costs of planting an acre of trees by a factor of about ten.

In the Project in which I am working we have given poplar cultivation a low priority. This is because we consider that the prospects of success, as compared with other lines of work, is rather low. If attempts were to be made to grow poplars on a larger scale I would recommend introducing a few hundred cuttings of each clone for trials under different site conditions. If the trials were successful it would then be possible to bulk up the supply of planting material at very much lower cost than that involved in bringing poplar cuttings from Oregon.

There is no such institution as the Forest Research Institute, Kathmandu.

To sum up, in my opinion to embark on a scheme of this magnitude, without first testing the trees to be grown, and without a serious survey of the socio-economic factors concerned, including availability of land, would be an act of extreme folly.

Sincerely,

Kew Jackson

J.K. Jackson
Project Team Leader
UK/Nepal Forestry Research Project

* List of CNs/TNs on Hold

A. The following CNs/TNs have expired:

Bangladesh	Urban Volunteer Program	388-0073	\$ 4,000,000
Burma	Ag. Research and Dev.	482-0012	4,500,000
Indonesia	Private Sector Dev.	497-0329	2,100,000
Indonesia	Financial Institutions Dev.	497-0341	3,523,000
Indonesia	Aquaculture Res. & Dev.	497-0352	4,864,000
Indonesia	Health Training, Res. & Dev.	497-0273	3,000,000
Philippines	Family Income and Expenditures	492-0402	215,000
Philippines	Project Design	492-0343	3,300,000 ¹
S. Pacific	Project Dev. & Implementation	879-0010	400,000 ¹
Sri Lanka	Irrigation Systems Mgmt.	383-0080	11,575,000
Regional	ASEAN - Health Scholarships	398-0258	750,000
Regional	ASEAN Coastal Res. Mgmt.	398-0286	1,800,000
Regional	ASEAN Small Business Imp.	398-0277	150,000
Regional	Small Project Assistance	398-0279	175,000
Subtotal			\$40,352,000

B. The following CNs/Tns were sent to the Hill on August 1:

Bangladesh	Rural Electrification	388-0070	\$12,500,000
Bangladesh	Homestead Agro-forestry	388-0062	3,000,000
Bangladesh	Enterprise Development	388-0066	1,000,000
Burma (Reg.)	Development Training	398-0354	500,000
Burma	Primary Health Care I	482-0002	336,000 ¹
India	Vaccine and Immunology	386-0503	3,000,000
India	Child Survival	386-0504	22,000,000
India	Energy Research and Enterprise	386-0494	1,000,000
India	National Social Forestry	386-0495	21,000,000
India	Alternative Energy	386-0474	2,000,000
India	Rajasthan Med. Irrigation	386-0467	200,000 ³
India	Madhya Pradesh Social Forestry	386-0475	6,900,000 ³
India	Integ. Rural Health/Pop.	386-0468	10,000,000 ³
Indonesia	Development Studies	497-0340	2,303,000
Indonesia	Village Family Planning	497-0305	4,000,000
Indonesia	General Participant Training	497-0328	2,868,000
Indonesia	Small Scale Irrigation	497-0347	21,521,000
Indonesia	Aquaculture Research & Dev.	497-0352	2,093,000 ²
Nepal	Strengthening the Legal Sys.	367-0150	94,000
Pakistan	Population Welfare	391-0469	19,850,000
Pakistan	Ag. Commodities & Equip.	391-0468	55,000,000
Philippines	Rainfed Resources Dev.	492-0366	1,000,000
Philippines	Farming Systems Dev. Res.	492-0356	700,000
Philippines	Management Training	492-0405	200,000
Philippines	Enterprise in Community Dev.	492-0395	500,000
Sri Lanka	Irrigation Systems Mgmt.	388-0080	2,271,000 ²
Thailand	Khon Kaen University	493-0332	170,000
Thailand	Emerging Problems of Dev. II	493-0341	4,070,000
Thailand	Mae Chaem	493-0294	1,300,000
Thailand	Land Settlements	493-0289	266,000 ³
Thailand	Anti Malaria	493-0305	78,000 ³
Thailand	Northeast Rainfed Ag. Dev.	493-0308	2,700,000 ³
Thailand	Rural Primary Health Care	493-0291	500,000 ³
Thailand	Emerging Problems in Dev. I	493-0309	220,000 ³
Thailand	Science and Technology	493-0340	1,500,000
Thailand	Rural Industries/Employment	493-0343	11,150,000
Thailand	Ag. Technology Transfer	493-0337	3,000,000
Regional	ASEAN - Living Coastal Res.	398-0296	50,000 ²
Regional	PVO (SDA Account)	398-0251	763,370
Regional	PDS	398-0249	12,161,307
Regional	Technical Collaboration	398-0282	1,387,000
Regional	PVO (ARDN Account)	398-0251	800,000
Subtotal			\$235,954,572

C. The following CNs/TNs were sent to Hill on August 4:

India	Defensive Mixed Credit	398-0350	7,000,000
Sri Lanka	Ag. Planning and Analysis	383-0083	5,600,000
Subtotal			13,600,000

D. The following CNs/TNs were sent to Hill on August 6:

Philippines	Rural Water and Sanitation	492-0401	\$9,678,000
South Pacific	PVO	879-0001	1,500,000
South Pacific	Development Support Trng	879-0004	500,000
Subtotal			11,678,000

GRAND TOTAL \$301,584,572

Nepal energy farm and reforestation project.—The Committee has become increasingly concerned about the growing problem of deforestation, as well as the need to develop alternate sources of energy. In light of these concerns, the Committee has included bill language earmarking \$2,280,000 for the "Energy Farm Proposal Using Hybrid Poplar Plantations in India and Nepal" for the purpose of hybrid poplar energy farming in Nepal. The Committee directs the Agency for International Development to implement this project in accordance with the provisions of that proposal. The Committee also directs that the funding for this project be in addition to moneys spent for both ongoing and contemplated projects in Nepal for the fiscal year.

¹Funds have been reprogrammed. Obligation will not be made.

²In addition to amount noted above for this project.

³Deobligation

INTERNATIONAL CENTRE FOR INTEGRATED MOUNTAIN DEVELOPMENT



Director: Dr. Colin Rosser

Mail : P.O.Box 3226, Kathmandu
Office : Jawalakhel, Lalitpur (Kathmandu)
Tel : 521575
Cable : ICIMOD, Kathmandu, Nepal
Telex : 2245 SAFA NP
2439 ICIMOD NP

Mr. George Taylor
ARC/USAID
Rabi Bhawan
Kalimati
Kathmandu

7th November 1985

Dear Mr. Taylor,

The "Energy Farm Proposal Using Hybrid Poplar Plantations in India and Nepal" has been informally considered by relevant members of the ICIMOD professional staff. While this institution is not in any way involved in reviewing proposals submitted to donor agencies, we share the concern of committed scientists for the sound development of Hindu Kush-Himalayan eco-systems.

My staff inform me that they were greatly surprised that such a proposal should be seriously entertained for funding. They point out that the Nepal locations selected are among the most heavily forested in Nepal (with current large surplus of wood products) and in fact, already have well-established nurseries with adequate supplies of poplar cuttings. They also note that poplar cuttings are readily available in the countries concerned at a fraction of the proposed cost and are in fact being planted on much larger scales than those proposed here. The equivalent amount of money in a World Bank project in Nepal resulted in the establishment of over 30,000 private forest farms through the distribution of over 80 appropriate species from over 400 scattered nurseries in addition to over 10,000 hectares of plantation.

I pass on these few comments with the hope that the very real and pressing problems of rural energy and deforestation can be addressed more usefully than with projects such as that proposed here.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Colin Rosser", is written over the typed name.

Dr. Colin Rosser
Director

CR/nb

July 9, 1986

Mr. Manzourul Haque
Chief Conservator
Department of Forests
Babar, Mahal
Kathmandu, Nepal

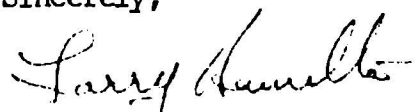
Dear Mr. Haque:

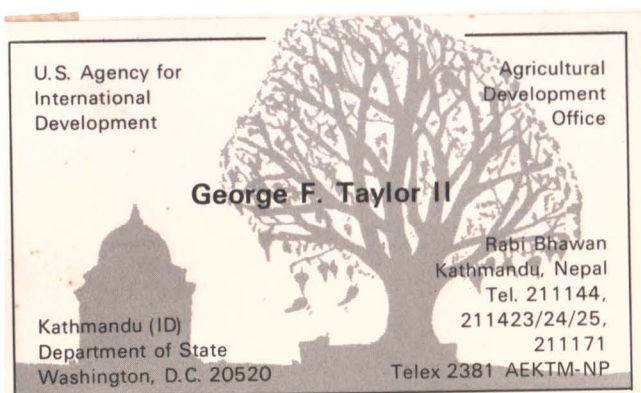
I write this letter to you in my capacity as a professional forester with some 38 years of experience, and not in my capacity as an employee of any institution. I write this out of a concern for a proposal which I understand either has come before you or will come before you concerning the air freighting of large numbers of hybrid poplar planting materials from nurseries in the United States to be established in dense plantings as a potential source of very short rotation renewable biomass energy. I have heard and seen presentations extolling the merits of this system at international conferences. I understand it is being proposed as a solution to some of the problems in Nepal. I find certain elements of this proposed project so incredible that I can hardly believe them. I strongly question this project on technical grounds, and also feel very strongly that it is not a solution to the rural land use problems which involve a complex of factors relating to management of land for fuelwood, fodder, dung production, in an interactive system within constraints of community needs and community planning.

I therefore write to urge you to give most careful scrutiny to this project and to seek if necessary outside technical evaluation if you feel your "in-house" technical review needs further strengthening. Perhaps the Nepal Australia Project people? They seem to be very much in touch with reality.

Please accept this as constructive concern, since I do not want to see professional forestry given a black eye by such schemes. We are already having a minor disaster in the Philippines and elsewhere from planting one species of fast growing tree on many different sites, and building power plants and community organizations to utilize this, only to have the trees attacked by a very serious insect pest.

Sincerely,


Lawrence B. Hamilton



OUTGOING UNCLASSIFIED

KATHMANDU 0237

VZCZCZTI *
CO RUEHC
DE RUEHRT #2837 105 **
ZNR UUUUU ZZH
C 150955Z APR 86
FM AMEMBASSY KATHMANDU
TO SECSTATE WASHDC IMMEDIATE 6112
BT
UNCLAS KATHMANDU 02837

CLASS: UNCLASSIFIED
CHRG: AID 04/15/86
APPRV: D:DMWILSON
DRFTD: FH/RS:RL
CLEAR: 1. ARC:CH/GT(DFT)
2. DD:JCF
DISTR: AID AMB ECM

AIDAC

* FOR AA/ANE MORRIS FROM PAUL HEILMAN AND R.F. STETTLER

E.O. 12356: N/A
SUBJECT: STATUS REPORT OF REVIEW TEAM ON NEPAL HYBRID
POPLAR PROJECT, AS OF APRIL 14, 1986

1. WE HAVE COMPLETED OUR 2-WEEK ON-SITE REVIEW. THE FIRST WEEK WAS SPENT IN MEETINGS OF THE 4-MAN REVIEW TEAM WITH THE FOLLOWING NEPALI OFFICIALS: M. HAQUE, CHIEF CONSERVATOR OF FORESTS; L. E. SHRESTHA, SECRETARY, MINISTRY OF FINANCE; J. L. MASKEY, SECRETARY, MINISTRY OF FOREST AND SOIL CONSERVATION; V. B. PRADHAN, MEMBER NATIONAL PLANNING COMMISSION; E. R. SHARMA, CHIEF, FOREST SURVEY AND RESEARCH OFFICE; B. KAYASTHA, CHIEF, COMMUNITY FORESTRY AND AFFORESTATION DIVISION, AND THEIR STAFF. WE ALSO MET WITH AMBASSADOR WEIL, MR. MACFARLANE, J. K. JACKSON, TEAM LEADER, NEPAL/USA FORESTRY RESEARCH PROJECT AND HIS COLLEAGUE IAN NAPIER, AS WELL AS KEY PERSONNEL OF THE AID MISSION.

2. VIRTUALLY ALL OF THE OFFICIALS AND TECHNICAL ADVISORS URGE THE TEAM TO SPEND THE SECOND WEEK AS A VISIT TO THE SOLU KHUMBU REGION, THE MAJOR SITE OF THE PROPOSED PROJECT. TWO OF US DID THIS, WHILE SIM YAN SHEN AND ANANT VIAS WERE UNABLE TO DO SO AND RETURNED TO KATHMANDU.

WE WERE ACCOMPANIED BY GEORGE TAYLOR, KEN JACKSON, R. JOSHI (RESEARCH OFFICER, FOREST SURVEY AND RESEARCH OFFICE) S. BAJRACHARYA (USAID OFFICE OF AGRICULTURE AND RESOURCE CONSERVATION) S. M. TAMRAKAR, DFC, AND THEIR STAFF AND MET WITH LOCAL PEOPLE. THE 7-DAY FIELD TRIP GAVE US A FEEL FOR THE CHARACTERISTIC CONDITIONS IN THE UPPER AND MIDDLE HILL REGIONS AND THE URGENT NEED FOR ADDRESSING THE PROBLEMS OF INADEQUATE FODDER, FUEL, AND SMALL TIMBER, AS WELL AS THE PROBLEMS OF ENVIRONMENTAL DETERIORATION. WE FULLY CONCUR WITH SENATOR HATFIELD'S CONCERNS IN THIS REGARD. AT THE SAME TIME IT HAS BECOME CLEAR TO US THAT POPLAR CAN PLAY A LIMITED ROLE ONLY IN SOLVING THESE PROBLEMS, AS COMPARED TO OTHER TREE SPECIES. VERY FEW SITES SUITABLE FOR POPLAR GROWTH WERE SEEN. POPLARS WERE INTRODUCED TO THE REGION MORE THAN A DECADE AGO BUT HAVE FOUND LITTLE ACCEPTANCE BY THE LOCAL PEOPLE FOR A VARIETY OF COMPELLING REASONS. THAT IS NOT TO SAY THAT IT MAY NOT BE APPROPRIATE TO TEST A BROADER ARRAY OF NEW POPLAR MATERIALS ON A MODEST SCALE IF

RL - 2
D/DD - 1
ARC - 1
RF - 1

OUTGOING


UNCLASSIFIED

KATHMANDU 0237

CONJUNCTION WITH OTHER SPECIES.

3. UPON OUR RETURN WE CONVEYED OUR ASSESSMENT TO MESSRS. HAGUE, SHARMA, MACFARLANE, WILSON, MS. BAILANTYNE, AND MR. HASH. UNFORTUNATELY, SIN YAN SHEN AND ANANT VIAS WERE UNAVAILABLE FOR CONSULTING WITH US AND PARTICIPATING IN THESE MEETINGS, AS THEY HAD DEPARTED TO DELHI. OUR REPEATED ATTEMPTS AT CONTACTING SHEN BY TELEX AND PHONE HAVE BEEN UNSUCCESSFUL. WE CONSIDER IT IMPORTANT FOR SHEN TO MEET WITH US IN SEATTLE SO WE CAN DEVELOP A REPORT AND CONCLUDE OUR MISSION'S ASSIGNMENT.

4. OUR REVIEW HAS LEFT US WITH A STRONG IMPRESSION OF THE HIGH LEVEL OF COMPETENCE AND COMMITMENT IN THE NEPALI FORESTRY AGENCIES AS WELL AS IN THE AID STAFF AND OTHER DEVELOPMENT AGENCIES. THERE IS NO QUESTION BUT THAT A PROPOSAL DEVELOPED AND ADMINISTERED BY THESE PEOPLE WOULD HAVE THE GREATEST CHANCE FOR SUCCESS IN ADDRESSING THE PROBLEMS AS TARGETED BY SENATOR HATHFIELD. WFL



BT

#2837

NNNN

OUTGOING

UNCLASSIFIED

HATHFIELD 2837

Feb. 27, 1985

Comments on "CHRONOLOGY OF MEETINGS AND LETTERS ON THE NEPAL REFORESTATION PROJECT", Provided by Sen. Hatfield staff to Ambassador Weil.

SUMMARY:

✓ The chronology of events and meetings is quite selective. In addition, there are numerous factual errors and the chronology editorializes a great deal.

SPECIFIC POINTS:

1. February, 1985; The cable in question was never lost within AID. The action was with ANE/TR/ENR.
2. February 27, 1985; This memorandum was addressed to AID/W and sent to AID/W. The action was with ANE/TR/ENR.
3. June 13, 1985; This meeting occurred on June 14, 1985.
4. September 12, 1985; Mr. Nyle Brady is the Assistant Administrator of the Science and Technology Bureau (S&T). We have no knowledge of the S&T Bureau ever submitting an options paper.
5. October 3, 1985; At least two reviewers of the project, Mr. Levenson (USAID/Nepal) and Mr. Bengé (AID/S&T/FENR) have intimate first hand knowledge of Joseph Dula's nursery operation in Canby Oregon.
6. October 31, 1985; Jerstad never responded to several initiatives by AID to sit down and work out a realistic proposal.
7. November 4, 1985; This concept paper was delivered by cable to Ambassador Weil. Ambassador Weil was in Nepal at the time.
8. November 18, 1985; Jerstad was in constant touch with AID during the previous 14 months.
9. January 12, 1986; This meeting took place on January 10, 1986.
10. January 18, 1986; This TELEX was sent on January 22, 1986, not as stated.

UPDATED CHRONOLOGY:

2
no way

Attached is an up-dated chronology constructed by USAID/Nepal. All references are documented in the Mission ETUL file, except for events and documents referenced in Sen. Hatfield's chronology. Undocumented meetings and letters are so noted in the chronology.

CHRONOLOGY OF CABLES, LETTERS, AND MEETINGS
ON THE JERSTAD/ETUL HYBRID POPLAR PROPOSAL

All the referenced documents and information can be found in the USAID/Nepal ETUL file.

Aug. 30, 1984

Hand written letter from Lama Pasang Sherpa to USAID/Nepal Director asking for assistance in nursery plantation. Mentions Dula nursery in Canby, Oregon.

Sept. 3, 1984

Hand written letter from Ang Ngawang Sherpa to USAID/Nepal Director asking for assistance in nursery plantation. Text is virtually identical to Lama Pasang Sherpa letter of Aug. 30, 1984.

Sept. 4, 1984

Hand written letter from Ang Egely Sherpa to USAID/Nepal Director asking for assistance in nursery plantation. Text is virtually identical to Lama Pasang Sherpa letter of Aug. 30, 1984

Sept. 20, 1984

Letter from Hatfield to E. Harrell AID/PRE A/AA transmitting ETUL proposal to work in India and Nepal and asking AID consideration to "expedite final approval". Letter states that "concept has received high-level endorsements in the host countries". This is not true.

Sept. 24, 1984

Letter from James Fisher, Exe. Dir. Fiber Fuels Institute to Jerstad offering unconditional support for ETUL proposal.

Sept. 24, 1984

Letter from James Fisher to Hatfield endorsing the "US-AID project".

Oct. 3, 1984: STATE 84-293943

Cable states AID/PRE received ETUL proposal and to alert Missions of possible Jerstad visit. Should be noted that both India and Nepal were actively being considered with India as the lead country. States no funding available from AID/PRE, but would appreciate Missions' reaction.

Oct. 8, 1984

* Letter from Jerstad to Ang Nawang Sherpa saying that, "It now appears that USAID in Kathmandu will approve the grant proposal." Describes in detail what letters must be sent to Jerstad from the Nepal side in order to proceed. Jerstad notes that he might be able to get the U.S. Air Force to fly the poplar cuttings to Nepal.

Oct. 23-24, 1984:

Lute Jerstad arrived in Nepal, requested and received an appointment with the Deputy Director of USAID/Nepal, Janet Ballantyne. This meeting was also attended by Burt Levenson and Charlie Hash. The ETUL proposal was outlined by Jerstad. Ballantyne stated that the USAID/Nepal program is a bilateral program with funds programmed on about a two to three year forward horizon. Ballantyne also explained that Jerstad should present the proposal to the GON and get in touch with the Ministry of Forests. Ballantyne informed Jerstad that all USAID funds were presently committed to on-going programs, but that the Agriculture and Resource Conservation (ARC) office would review the proposal and provide comments and recommendations to Jerstad. As part of the review process, Levenson invited Jerstad to present the proposal at a dinner arranged for that purpose. (Personal funds were used for the dinner at the USAID/Nepal employee's expense.) At the dinner were knowledgeable experts from the GON Ministry of Forests, Nepal/Australian Forestry Aid Project, Smithsonian Institution, and USAID/Nepal. The proposal was presented, complete with a slide show illustrating Dula's Nursery operation in Oregon.

Oct. 22, 1984: NEW DELHI 84-23640

Cable reports on Jerstad visit to India Mission and notes an unwillingness to initiate procedures for GOI clearance.

Dec. 17, 1984

Letter from McPherson to Hatfield referencing Hatfield letter of Nov. 14, 1984 to McPherson requesting update on ETUL proposal (not in our files). McPherson relays "both Missions had reservations about proceeding given the limited detail included in the proposal."

Dec. 26, 1984

Letter from L.P. Sherpa to Jerstad asking to be invited to Oregon and for travel expenses for the trip.

Dec. 26, 1984

Letter from Nima Tenzing Sherpa to Jerstad describing the need of an invitation from ETUL for the Oregon trip.

Jan. 4, 1985

* Letter from Jerstad to Nima Tenzing Sherpa stating that there is a letter for Nima at Tiger Tops Office prepared by Jerstad "with an 'x' where you sign your name. Sign it and send back to me; we'll do the rest of it."

Jan. 8, 1985: KATHMANDU 85-0140

Cable provides record and synopsis of Jerstad's visit to USAID/Nepal and a detailed technical analysis of the ETUL proposal. The review of the ETUL proposal received serious attention in the Mission, resulting in this cable. The cable suggested that ETUL address the technical concerns and work closely with the GON Ministry of Forests.

Jan. 8, 1985

* Letter from Jerstad to Ambassador Harry Barnes (India) noting \$10 million in "frozen rupees available for projects." Jerstad proposes to ship 14 million poplar cuttings to India and plant them. Jerstad mentions that he has "had an initial refusal from Peter McPherson of AID, but that has gotten the attention of Senator Hatfield who will personally take it up." No mention of Nepal, USAID/Nepal, or Sherpas.

Feb. 4, 1985

Letter from Ambassador Barnes to Jerstad noting that the funds in question are only for government to government research collaboration and not available for proposals such as the ETUL one. Letter notes that hybrid poplars are generally not suited to GOI/USAID programs primarily due to its irrigation requirement. Suggests getting in contact with the Western Indian Match Company for possible collaboration.

Feb. 22, 1985

* Letter from Jerstad to Nima Tenzing Sherpa asking for a letter from the Nepal Peasant's Association in support of the ETUL proposal. Provides entire text of letter to be sent to ETUL with instructions to copy letter to McPherson, Hatfield, and Ballantyne.

Feb. 27, 1985

Memorandum from Jerstad to "AID, Kathmandu/Washington, D.C.". This memorandum notes that Jerstad received KATHMANDU 85-0140 on Feb. 25, 1985. This memorandum responds to the technical concerns in KATHMANDU 85-0140. Some of the issues raised are not responded to, while others are addressed inadequately. It should be noted that the Mission received a copy of this letter in November, 1985 and, only after a Mission Direct Hire Staff reviewed the AID/W ETUL file while on TDY in Washington D.C.

March 3, 1985

Letter from L. P. Sherpa to Jerstad asking about progress on sending two or three people to Oregon. L.P. Sherpa notifies Jerstad that the Nepal Peasant's Organization does not have funding for this kind of travel and asks Jerstad for support.

March 6, 1985

Jerstad letter to Hatfield where Jerstad responds to KATHMANDU 85-0140. Notes that the Nepal Peasant's Association (wrong name) is sending two or three people to Canby, Oregon summer of 1985. (This did not occur as far as the Mission is aware.) Jerstad does not offer to respond to technical or economic issues raised by Mission, only that Jerstad is frustrated with AID's response.

March 10, 1985

Letter to Jerstad from L. P. Sherpa in support of ETUL proposal. Text is identical to Jerstad's letter of Feb. 22nd to Tenzing Sherpa.

March 10, 1985

Letter to Jerstad from Ang Ngawang Sherpa in support of ETUL proposal. Text is identical to Jerstad's letter of Feb. 22nd to Tenzing Sherpa.

March 13, 1985

Letter from L. P. Sherpa to Jerstad supporting ETUL proposal. Wording is identical to Jerstad letter of Feb. 22, 1985 to Tenzing Sherpa.

March 25, 1985

Letter from L.P. Sherpa to Ambassador Weil describing Nepal Peasant's Organisation and asking to be introduced to similar organisations and federations in the U.S. Also mentions, "we (Peasant's Organisation) are trying to help and following the reforestation programme with hybrid poplar trees in Nepal, which was organised by Mr. L. Jerstad from Dula Nursery Oregon."

April 4, 1985

Letter from Ambassador Weil to L.P. Sherpa acknowledging receipt of L.P. Sherpa's March 25th letter to Weil.

April 6, 1985: STATE 85-104581

Cable from AID/PRE noting Jerstad's March 6th letter to Hatfield taking exception with technical issues raised in KATHMANDU 85-0140. Notes meetings between AID/PRE-Hatfield and AID/PRE-Jerstad.

April 12, 1985

Letter from Robert Dodson (AID/PRE) to Jerstad referencing a phone call from AID/PRE to Jerstad the first week in April. Letter explains the need for detailed financial analysis of proposals considered for funding by AID/PRE and that Jerstad's letter to Hatfield of March 6th has been forwarded to Mission in Nepal.

April 22, 1985: KATHMANDU 85-2402

Acknowledges STATE 85-104581 stating Mission will respond to Jerstad's March 6th letter to Hatfield and suggests independent review. Suggests several names of reviewers.

May 2, 1985

Letter from Mission to L.P. Sherpa in reply to L.P. Sherpa's letter to Ambassador Weil (March 25th). Mission explains current USAID/Nepal reforestation program and suggests that the Peasant's Organisation get in touch with the Ministry of Forests.

May 3, 1985

TELEX from Jerstad to Nima Tenzing Sherpa urging Nima to get more active involvement of Peasant's Association. "Get highest level pressure you can immediately, and we should get it."

*

May 8, 1985: KATHMANDU 85-2785

Acknowledges receipt of Jerstad's March 6th letter to Hatfield and points out technical issues not addressed by Jerstad's letter. Asks to keep ETUL informed of Mission views on the proposal.

May 18, 1985: STATE 85-152678

* Cable from AID/S&T summarizing in the 4 page cable the review of 8 independent experts on forestry and poplars from across the United States. Many technical concerns were pointed out which were suggested should be addressed before proceeding.

May 21, 1985

Mission receives additional background information and technical papers on poplars from AID/S&T/FNR.

May 30, 1985

Mission receives note and copy of NEW DELHI 84-23640 from Delhi Mission. Delhi Mission shares Kathmandu Mission concerns about the proposal.

June 13, 1985

* Letter from Hemanta Mishra (KMTNC) to Jerstad indicating enthusiasm for the ETUL proposal. Letter apparently drafted by Jerstad and signed in Washington D.C. while Mishra was on a visit to the Smithsonian Institution.

June 13, 1985

Letter from Hemanta Mishra (KMTNC) to Dennis Brennan (S&T DAA) describing the letter from KMTNC to Jerstad of June 13th. Asks support in getting the "project implemented".

June 14, 1985

Meeting between AID/PRE (Dodson) ANE/TR/EFE (Ichord), and Jerstad in Washington D.C. Ichord presents technical concerns and Dodson apparently makes a decision not to have further dealings with Jerstad. (Ref. Dodson Memorandum to Ichord of July 12, 1985.)

June 21, 1985

Letter from Jerstad to Robert Ichord (ANE/TR/EFE) stating that the KMTNC is going to get all the clearances from the GON. Mentions that several experts support the project when in fact they do not. Those same experts provided review and technical criticism of the project earlier in the year.

July 12, 1985

Memorandum from AID/PRE to AID/ANE/TR/EFE stating that AID/PRE will not have any further contact with Jerstad or the ETUL proposal.

July 30, 1985

Briefing Memorandum for the Administrator for a meeting with Hatfield on reforestation in Nepal. Summarizes the technical and economic issues raised by all that had seen the proposal and notes that AID stands ready to meet with Jerstad at any time to work on the details of the proposal.

Aug. 6, 1985

Briefing Memorandum for the Administrator for McPherson's dinner with Ambassador Bhekh Thapa. Mentions that AID is cabling USAID Kathmandu a report of the Hatfield meeting. The Mission is not sure what meeting, but presumably the July 31, 1985 meeting.

Aug. 11, 1985

Letter from KMTNC to Jerstad. No record of this letter in our files.

Sept. 3, 1985

Action Memorandum for the Administrator for a course of action to respond to Hatfield. Two options were presented: 1. AID respond to Hatfield stating that AID is not able to fund the proposal but will share the proposal with the Nepalese Ministry of Forestry; and 2. AID pursue a modified proposal with Jerstad to test a limited number of cuttings in Nepal.

Sept. 12, 1985

Meeting between Hatfield and McPherson. Mission has no record of this meeting.

Sept. 13, 1985: STATE 85-281638

Asks Mission views on possible elements of ETUL proposal which might be included in F/FRED project. States that McPherson wants to send letter to Hatfield "no later than 9/24/85 to Hatfield to inform him how AID proposes to examine basic premise of ETUL proposal, i.e. application of fast growing poplar species in Nepal".

Sept. 16, 1985: KATHMANDU 85-5941

Responds to STATE 85-281638. Notes that Mission is arranging discussions with GON MOF to discuss role of poplars in Nepal's reforestation effort. Suggests at least one avenue of action which might be acceptable to GON to proceed.

Oct. 3, 1985

Letter from McPherson to Hatfield indicating AID will meet with Jerstad to develop a proposal to field test selected hybrid poplars in Nepal. This would involve the procurement in the range of 10,000 cuttings.

*

Oct. 10, 1985

* Letter from Jerstad to McPherson with a technical and emotional argument for continuing with the proposal. Several factual errors are also in this letter. At the end of the letter, Jerstad states, "The project should go forward exactly as it is written, with that number of cuttings." Letter also includes direct accusations of AID trying to kill the project.

Oct. 10 - 18, 1985 (exact date unknown to Mission)

Letter from McPherson to Jerstad thanking him for his letter of Oct. 10th and stating that McPherson has instructed AID to respond and work with Jerstad and of the impending letter from Ken Sherper.

OCTOBER 16, 1985 - LOU - ETUL LETTER TO H. MISHRA

Oct. 18, 1985

Letter from Ken Sherper (ANE/TR) to Jerstad mentioning a telephone conversation with Jerstad on Oct. 11, 1985. Notes the numerous technical questions yet to be answered and asks Jerstad to fix an appointment with Robert Ichord (ANE/TR/EEF).

Oct. 18, 1985

Information Memorandum to the Administrator on a meeting to discuss the ETUL proposal. Memorandum urges cooperation with Jerstad in developing a proposal.

Oct. 31, 1985

Earmark of the funds in the S. 1816, the FY-86 Foreign Operations Bill.

Nov. 1, 1985

Meeting between Booth (Sen. Foreign Relations Committee staff), McPherson, Ichord, Norris, Wilson, and Sullivan. See Dave Wilson for an exact reporting of this meeting.

Nov. 4, 1985

Mission ARC Office staff on TDY in AID/W reviews a concept paper drafted by ANE/TR/ENR.

Nov. 7, 1985

* At Mission's request, seven resident experts in forestry and development were asked to review the ETUL proposal as impartial reviewers. The seven included experts from all major forestry projects in Nepal. The reviewer's reply were highly critical, both on technical grounds and on political grounds. Copies of all the reviews were sent to AID/W (hand carried by Wilson to Cairo Mission Director's Conference).

Nov. 8, 1985

Letter from McPherson to Jerstad. Mission has no record of this letter.

Nov. 8, 1985: KATHMANDU 85-7370

* Cable from Wilson for Greenleaf. Wilson reviews history of poplar proposal and provides independent assessment. Includes full text of letter from Ken Jackson, senior forestry expert attached to the GON MOF ODA funded Forestry Research Project. Text of letter is negative toward ETUL proposal. Quote from letter, "I regard this proposal as completely unrealistic, a waste of money, and liable to cause serious damage to the reputation of the agency of the United States government responsible for attempting to execute it."

Nov. 13, 1985

Memorandum from Director Wilson to McPherson with an up-date on the ETUL proposal and providing the background of the Nepal Peasant's Organisation involvement.

Nov. 14, 1985: STATE 85-348977

* Cable from Norris to Wilson notifying Mission of \$2.28 million earmark in Senate version of CR for energy/tree farming in Nepal. Also includes the text of the AID concept paper drafted by R. Ichord during the first week of November.

Nov. 15, 1985

Booth contacts AID/LEG. Mission has no record of this contact.

Nov. 15, 1985

* Memorandum from G. Taylor (USAID/Nepal ARC Office) to S&T/FNR and ANE/TR/EFE transmitting the seven resident expert review letters.

Nov. 18, 1985

? Letter from KMTNC to Jerstad noting that the ETUL proposal has been reviewed in Nepal and that the KMTNC shares many of the technical concerns.

Nov. 20, 1985: KATHMANDU 85-7563

> Mission invites John Gordon, Hatfield designated reviewer, to Nepal to provide comment on proposal.

Nov. 20, 1985

ANE/TR/ENR (Ichord) Memorandum. Mission has no record of this memorandum.

Nov. 20, 1985

* Memorandum of Conversation to the ETUL file. Describes a conversation held at the KMTNC with David Anstey and Bruce Bunting of the WWF. Bunting indicated that upon his return to the US, he would bring up the matter with Russell Train and would urge Train to speak with Hatfield to stop the project. The WWF has an interest in seeing that the KMTNC not become involved in the ETUL project.

NOV. 21, 1985 - LOU - EMBASSY MEMORANDUM

Nov. 21, 1985: STATE 85-356856

AID/W inquires to AID/New Delhi about the status of the India portion of the ETUL proposal.

Nov. 22, 1985

Memorandum from S&T/FENR (Benge) to ANE/TR/ENR (Ichord) about the ETUL proposal. Benge comments on technical concerns.

Nov. 23, 1985

USAID/Nepal transmits officially a copy of the ETUL proposal to the Ministry of Forests for comment and review.

Nov. 24, 1985

* Letter from GON Ministry of Forests to USAID/Nepal with reply and comment on the ETUL proposal. GON Department of Forests is willing to accept 100 cuttings of each proposed hybrid poplar clone and include the cuttings in on going trials.

Nov. 25, 1985: KATHMANDU 85-7693

Mission copies text of KMTNC Nov. 18th letter to Jerstad. Letter points out technical problems which have yet to be addressed by ETUL.

Nov. 25, 1985: NEW DELHI 85-28858

New Delhi Mission responds to STATE 85-356856 inquiry about India portion of ETUL proposal that the Mission has no knowledge of Jerstad plantations or efforts in India.

Nov. 26, 1985

Booth conversation with Dr. John Gordon, Dean of Forestry, Yale University. Mission has no record of this conversation.

Nov. 26, 1985

Meeting between Booth, Ichord, Norris, Sullivan, and Clark Wurzberger. Mission has no record of this meeting.

Nov. 29, 1985: KATHMANDU 85-7788

Mission provides entire text of letter from the GON MOF, Chief Conservator of Forests, Mr. M. Haque, which was officially transmitted to the Mission as the official response from the GON on the ETUL proposal. Letter states technical concerns, and GON willingness to accept 100 cuttings of each clone for inclusion in on-going trials.

Nov. 29, 1985: KATHMANDU 85-7799

Cable which re-transmits KATHMANDU 85-7563.

Dec. 2, 1985

Memorandum of Conversation to the ETUL file. Notes the content of meetings on Nov. 21, 1985 with several people who knew of the ETUL proposal. William Garret, Editor of National Geographic Magazine, asked if there was anyone in Washington D.C. he could speak with about the proposal. Garret was concerned about embarking on such a large effort without first testing.

Dec. 11, 1985

Letter from KMTNC to Mission informing USAID/Nepal stating that the Ministry of Forest has replied to a KMTNC request for a review of the ETUL proposal. Notes that Jerstad has not replied to KMTNC letters or telexes.

Dec. 12, 1985

Conference on H.R. Res. 465, with language for the ETUL proposal including "up to" \$2.28 million.

Dec. 12, 1985

Letter from Hatfield to McPherson. Mission does not have a copy of this letter, but it may be the letter transmitted in STATE 7824 of Jan. 9, 1986.

Dec. 12, 1985

* Memorandum of Conversation to the ETUL file. Notes the discussion with the KMTNC on their involvement in the ETUL proposal. Clearly states that the KMTNC does not support the proposal and that Lute Jerstad has been using the name of the KMTNC without authorization.

Dec. 23, 1985

TELEX from KMTNC (Hemanta Mishra) to Jerstad informing that the Ministry of Forest reaction to the ETUL proposal was negative.

Dec. 24, 1985: KATHMANDU 85-8379

Cable provides entire text of Memorandum of Conversation to the ETUL File of meeting with KMTNC. States KMTNC unwillingness to be involved with the ETUL proposal. Cable also includes entire text of KMTNC Dec. 11th letter to Mission which provides the GON MOF response to the KMTNC request for ETUL proposal review by the concerned GON technical ministry.

Dec. 27, 1985

* TELEX from Jerstad to Hemanta Mishra concerned that KMTNC has not replied to Jerstad since June 13, 1985. States, "AID trying to throw roadblocks, but don't worry. All we need is letter (from the) Trust and from Minister Forests to make it happen."

"January, 1986--Efforts by AID, Asia Bureau, to direct project to Ms. Beverly Berger, DOE, rather than Mr. Bob St. Martin, DOE, in an effort to slow down contracting"

-From Chronology provided by Hatfield staff, Booth.

Mission has no knowledge of this action.

Jan. 3, 1986

Letter from KMTNC to Jerstad indicating Jerstad had not replied to KMTNC letters and telexes.

JAN. 7, 1986 - LOU - STATE 3742

Jan. 9, 1986: STATE 7824

Cable transmits entire text of Hatfield's letter to McPherson describing how the "earmark of 2.28 million dols. in H.J. Res. 465, the FY-86 Continuing Resolution, for ETUL's unsolicited proposal, as part of the Nepal reforestation project, shall be spent." Suggests most appropriate mechanism for implementation is through a PASA, and instructs Mission to "take immediate action to inform in writing the Nepal government of this congressional action and to secure the required government clearances and request for assistance."

Jan. 10, 1986

Letter from Mission to GON Minister of Finance (Dr. P.C. Lohani) describing the congressional earmark for the ETUL proposal and asking for GON reaction.

JAN. 13, 1986 - CONFIDENTIAL - KATHMANDU 0333

JAN. 13, 1986 - LOU, EYES ONLY - KATHMANDU 0322

Jan. 14, 1986: STATE 11361

States "up to" \$2.28 million earmark for ETUL is over life of project and that entire amount need not be obligated first year.

Jan. 14, 1986: KATHMANDU 0357

States Mission has delivered letter of clarification ("up to") to Ministry of Finance and asks obligation information.

Jan. 14, 1986

Letter from Mission to GON Minister of Finance (Dr. P.C. Lohani) clarifying to the GON that the Congressional language specified "up to \$2.28 million".

Jan. 16, 1986: KATHMANDU 0444

In responding to AID/W action on biological diversity, Mission states that ETUL proposal could have negative impact on biological diversity in Nepal.

Jan. 22, 1986
 TELEX from Jerstad to KMTNC imploring again for the Trust's continued support for the ETUL proposal. Admits no contact with KMTNC since summer of 1985 except for the KMTNC letter of Nov. 18, 1985. Jerstad says, "Funding for project not from Nepal budget, but congress, via AID Washington to other agency to us."

Jan 23, 1986: KATHMANDU 0630
 Mission reports of meeting with GON Ministry of Finance Lohani, and GON MOF officials to convey contents of STATE 7824.

Jan. 24, 1986
 TELEX from KMTNC to Jerstad clearly reiterating the KMTNC position stated in the KMTNC TELEX of March 28, 1985. States, "Grateful if you will not repeat will not involve Trust on any matters or controversy between USAID and ETUL."

Feb. 1, 1986: STATE 32543
 Mission receives text of Draft Proposal from ANL to implement ETUL proposal in Nepal.

Feb. 4, 1986: KATHMANDU 0967
 Cable responds to ANL proposal for ETUL poplar proposal. "Mission finds scope of work for ANL PASA fundamentally flawed and unacceptable." Mission notifies KMTNC and ICIMOD that ANL intends to work with these organizations. Mission is reluctant to share this proposal with GON. Cable informs AID/W that ANL experts will not be allowed in Nepal until country clearance is obtained.

Feb. 6, 1986: STATE 37958
 Cable for Ambassador Weil and Director Wilson from McPherson stating that funding for ETUL proposal will be fully additional to Nepal program. Notifies Mission of Gramm-Rudman 4.3% reduction and additional 3% Agency wide reduction.

Feb. 6, 1986: STATE 38072
 OYB cable showing Nepal OYB with 4.3% Gramm-Rudman reduction but not the additional 3% Agency wide reduction. No mention of any additional Agency wide reduction.

Feb. 7, 1986: KATHMANDU 1096
 States that a copy of Mission's entire ETUL file has been pouched to ANE/TR/EFE.

Feb. 7, 1986: STATE 39911
 Nepal FY-86 OYB cable indicating \$1.8 million will be adjusted at a later date to accommodate the additional money needed to fund the ETUL proposal. Asks Mission to identify projects which should be adjusted to reflect \$480,000 shift of funding into the ETUL proposal.

Feb. 7, 1986

Letter from KMTNC to Mission stating again, "I would also like to take this opportunity to re-emphasize that this Trust does not want to be involved in controversy between ETUL, Aid Washington and USAID Nepal."

Feb. 7, 1986

Letter from Mission to GON Ministry of Finance (L.B. Shrestha) with further information and clarification on the Nepal OYB. States that OYB has been reduced to \$13.92 million and that the ETUL earmark would be fully additive to this figure.

Feb. 7, 1986

Letter from GON Ministry of Finance to Mission responding to the ETUL proposal and congressional earmark. Reply is clearly negative, standing by the Ministry of Forests letter of Nov. 24, 1985 to the Mission

Feb. 8, 1986: KATHMANDU 1109

Transmits GON Ministry of Finance official response to ETUL proposal. GON reply is negative.

FEB. 8, 1986 - CONFIDENTIAL - KATHMANDU 1110

Feb. 12, 1986

Letter from ICIMOD Director, Colin Rosser to Mission stating ICIMOD's displeasure that ANL had included ICIMOD without any contact with ICIMOD or authorization from ICIMOD in the ANL proposal. Tone of the letter is quite strong.

Feb. 14, 1986: KATHMANDU 1232

Cable to DAA/ANE Norris from Ballantyne clarifying that Mission stressed ETUL earmark was fully additional in discussions with GON. Includes entire text of letter to GON Ministry of Finance clearly stating above.

Feb. 15, 1986: STATE 48847

Further clarification of Nepal FY-86 OYB. States that \$2.28 million should be held in abeyance pending outcome of anticipated discussions with ANL and GON.

Feb. 21, 1986

Letter from Mission to L.K. Shrestha, Secretary, Ministry of Finance to officially transmit the ANL proposal and ask for comment. Letter emphasizes that funding for this proposal (ETUL generated proposal) will be fully additive to the Nepal FY-86 OYB.

CHRONOLOGY OF MEETINGS AND LETTERS
ON THE NEPAL REFORESTATION PROJECT

~~Sen/Baut~~
From Senator Hatfield's
staff to Ambassador
Weil

September, 1984--Lute Jerstad submits a reforestation proposal to AID utilizing hybrid poplars to be undertaken in Nepal and India.

November, 1984--Senator Hatfield wrote to AID expressing interest and support in the project.

February, 1985--Cable to Jerstad from AID mission providing a response to the Nepal Reforestation Project, the cable was (Never lost) discovered within AID only after Senator Hatfield intervened.

February 27, 1985--Memo to AID Mission in Nepal from Jerstad responding to the issues raised in the AID cable.

March 13, 1985--Letter from L.P. Sherpa, Nepal Peasant's Organisation, to Lute Jerstad indicating a willingness to provide assistance.

June 13, 1985--Meeting between Jerstad and Robert Ichord, AID, Asian Bureau, regarding the project.

June 21, 1985--follow-up letter from Jerstad to Ichord responding to Ichord's technical concerns.

June 24, 1985--Jerstad letter to Ambassador Bhekh Bahadur Thapa thanking the ambassador for the time he spent with Jerstad on June 11th and indicating that Hemanta Mishra, King Mahendra Trust, was supportive (based on a letter given to the Ambassador from Mishra) and would be in touch with AID.

July 31, 1985--Meeting between Senator Hatfield, Ambassador Thapa and AID Administrator McPherson. Both Senator Hatfield and Ambassador Thapa indicated support for the project, with Ambassador Thapa predicated his support on the funds being additional to the existing program in Nepal. McPherson agreed to be in touch with Jerstad and to put together a proposal to plant "some trees".

August 11, 1985--Letter from Mishra to Jerstad. Mishra indicates that he has spoken with Dr. Janet Ballyntine and others at the mission in Kathmandu. He also stated, "there is nothing I can do unless we are assured that USAID will not turn down a formal request if made by the Ministry of Forest through the Ministry of Foreign Aid Division. While your proposal for a support for Trust is in order, please realise neither the Trust nor HMG can do anything, if AID is not prepared to fund it."

September 12, 1985--Meeting between Senator Hatfield and Administrator McPherson where McPherson agreed to move forward with the project. Subsequent to that meeting, Mr. Nyle Brady, Senior Deputy Administrator, Science and Technology, submitted an options paper recommending that the project be killed.

October 3, 1985--Letter from McPherson to Senator Hatfield indicating that AID would plant 10,000 cuttings and study the project further. Compared to the original request of 5.5 million cuttings, this was deemed to be inadequate. In addition, AID did

Berge Levenson
Duke Knowledge

not grasp the concept of agro-forestry and continued to consider it to be a traditional reforestation effort.

October 16, 1985--Letter from Jerstad to Mishra providing information of the project funding and timetables for proceeding.

October 31, 1985--Earmark of the funds in the S. 1816, the FY 86 Foreign Operations bill. This action was taken since AID's response was inadequate and discussions between AID technical people and Senator Hatfield's staff and Jerstad were never held despite promises made during the July 31st and September 12th meetings between Senator Hatfield and McPherson.

November 1, 1985--Meeting between staff of Senator Hatfield and McPherson, Ichord, Jim Norris, Asia Bureau, the new AID Mission Director, David Wilson, and Dr. Jack Sullivan, AID Science and Technology. During the course of the meeting, staff relayed the lack of response from AID to this proposal and the unwillingness of AID to work with staff and Jerstad to develop an acceptable proposal. It also was discovered that the Asia Bureau had come to the meeting intending to talk McPherson out of going forward with the project. McPherson directed all present to move forward with the project.

November 4, 1985--Concept paper developed by AID providing 125,000 cuttings over three years at approximately three sites over 50-100 hectares. Paper was delivered to Hatfield staff and Ambassador Weil. Weil also cabled AID-Washington suggesting Dr. John Gordon review the project.

November 8, 1985--Letter from McPherson to Jerstad enclosing a letter from Kenneth Sherper to Jerstad that provides details of the AID concept paper.

November 15, 1985--Staff with Senator Hatfield contacted AID Congressional Relations proposing an alternative to the AID concept paper, which is in effect the proposal embodied in the Hatfield letter to McPherson dated December 12, 1985.

November 18, 1985--Letter from the Nepalese Ministry of Forests to the King Mahendra Trust regarding several concerns with the original Jerstad proposal and suggesting that Jerstad be in touch with AID, some 14 months after the project was submitted to AID and 9 months after the exchange of information with the AID mission in Kathmandu.

November 18, 1985--Letter from King Mahendra Trust to Jerstad relaying those concerns, which are identical to those in the Ichord memo. which not seen

November 20, 1985--Ichord internal memo raising traditional concerns about the project and not mentioning conversation of November 15th.

November 26, 1985--Hatfield staff conversation with Dr. John Gordon, Yale University. Dr. Gordon related the following concerns; need to test more than Dula's three clones, there should be a testing phase and utilize in-country nursery stock should the hybrid poplars be widely utilized. Each of these concerns were essentially reflected in the revised proposal. not true

November 26, 1985--Meeting between Hatfield staff, Ichord, Norris, Sullivan and Clark Wurzberger, AID Congressional Relations. They relayed AID's traditional concerns and provided no response to the conversation of November 15th between Hatfield staff and Wurzberger.

December 12, 1985--Conference on H.J. Res. 465, including "up to" \$2.28 million for the project.

December 12, 1985--Hatfield letter to McPherson.

January 3, 1986--Letter from King Mahendra Trust ^{To Mission} (Mr. David Anstey) expressing concern that Jerstad had not responded to the November 18, 1985 letter.

January, 1986--Efforts by AID, Asia Bureau, to direct project to Ms. Beverly Berger, DOE, rather than Mr. Bob St. Martin, DOE, in an effort to slow down contracting.

January 12, 1986--Presentation of the project by AID Mission Director and Ambassador Weil ^{in states} to the Nepalese Finance Minister.

January 18, 1986--Jerstad cable to Mr. David Anstey ^{remona} responding to each of the concerns.

22

cal Emb.